

November 21, 2016

Notice of Opportunity for Public Comment

Proposed Methodology for Referring Health Care Entities to the Health Policy Commission

The Center for Health Information and Analysis (CHIA), pursuant to G.L. c. 12C, § 18, is required to confidentially refer health care entities “whose increase in health status adjusted total medical expense is considered excessive and who threaten the ability of the state to meet the health care cost growth benchmark” to the Health Policy Commission (HPC).¹ Referred entities may be required by the HPC to implement a performance improvement plan (PIP) pursuant to G.L. c. 6D, § 10. This memorandum details the proposed methodology to be used by CHIA for determining when health care entities will be subject to confidential referral to the HPC.

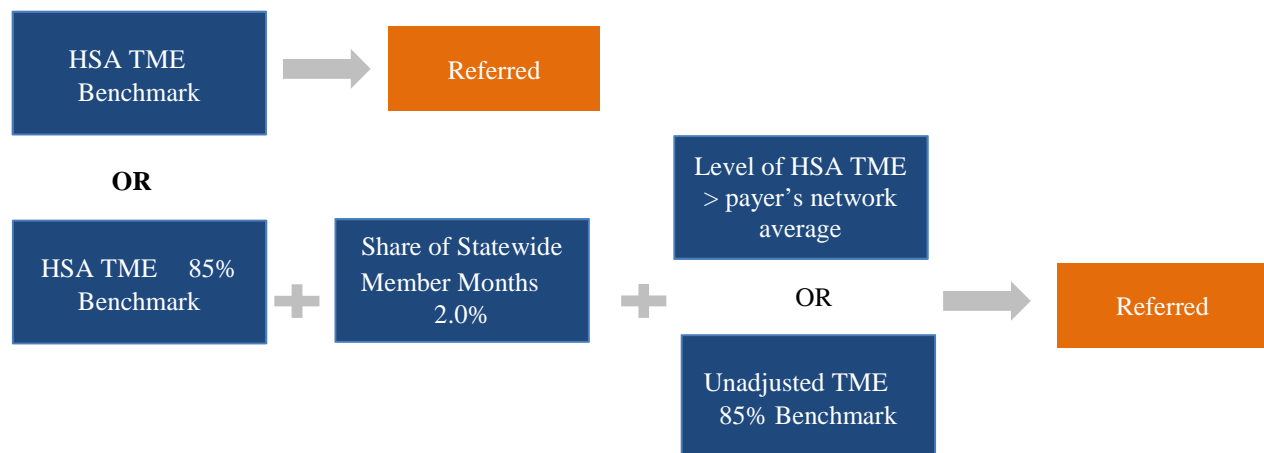
CHIA requests public comment on this proposed methodology. To be assured consideration, comments must be received no later than **5 p.m. EST on Friday, December 9, 2016**. Comments may be submitted electronically via email to tmerp@state.ma.us and should include the following subject line: “Health Care Entity Referral Methods.” Please note that pursuant to the Public Records Law, G. L. c. 66, § 10, comments are subject to public disclosure and may be posted on CHIA’s website. Following a review of the submitted comments, CHIA will issue a final methodology for referring health care entities to the HPC in December 2016. CHIA will make referrals in accordance with the final methodology beginning with the calendar year (CY) 2014 - 2015 Total Medical Expense data reported in May 2016.

¹ Health status adjusted total medical expenses is defined as “as the total cost of care for the patient population associated with a provider group based on allowed claims for all categories of medical expenses and all non-claims related payments to providers, adjusted by health status, and expressed on a per member per month basis.” See 957 CMR 2.00 for additional information on definitions and data specifications. Available from <http://www.chiamass.gov/assets/docs/g/chia-regs/957-2-00-payer-data-emergency-adopted-reg.pdf> for more information.

Proposed Health Care Entity Referral Logic for Physician Groups

Physician group² level expenditure, health status, and member month data from payer TME submissions will be used to assess each entity. The following logic will be applied to determine whether a physician group will be referred to the HPC:

- Groups are separately assessed for managed patients of each payer within each insurance category (e.g., Payer A/Commercial Full-Claim, Payer B/MassHealth Managed Care, etc.);
- Pediatric and non-pediatric groups are assessed separately within each insurance category so that pediatric member months do not count for non-pediatric assessments and vice versa;
- Data is limited to those members who are Massachusetts residents and must select a primary care physician;³
- Data for any physician group with fewer than 36,000 member months is excluded from the analysis – including in the calculation of network average HSA TME and statewide share of member months;
- Only data attributable to those members who selected a primary care provider is used for CY 2015 data assessments. Beginning with CY 2016 data, assessments may also include data for members who have been attributed to a primary care provider ;
- Share of member months is calculated using data for the most recent calendar year in the analysis and aggregated member month data for all payers that report TME data to CHIA.



² Currently, physician groups and physician local practice groups are the only providers eligible to be referred to the HPC because TME is only attributed to primary care providers (rather than hospitals or other provider types).

³ Beginning with CY 2015 data submissions, payers were also required to report spending for members that have been attributed to a primary care provider pursuant to a contract (rather than simply as a function of plan design that requires a member to select a primary care provider). CHIA will report HSA TME with this data in future years, when there is sufficient data to perform longitudinal analyses. For additional information, see CHIA Administrative Bulletin 16-04: <http://www.chiamass.gov/assets/docs/g/chia-ab/16-04.pdf>.

Proposed Health Care Entity Referral Logic for Payers

Zip code level expenditure, health status, and member month data from payer TME submissions will be used to assess each entity. The following logic will be applied to determine whether a payer will be referred to the HPC:

- Payers are separately assessed for each insurance category for which they have business (e.g., Commercial Full-Claim, MassHealth Managed Care, etc.);
- Zip code level expenditure, health status, and member month data is aggregated to the statewide level for each payer for the assessment in each insurance category;
- Share of member months is calculated using data for the most recent calendar year in the analysis.

